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Hot Summer: The Architecture of Crisis Balance in Iran

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I hope that this book, as a theoretical document, can provide a way to more accurately understand the future of Iran in the coming years. In years when simplistic narratives—from “soft coup” to “imminent collapse”—have dominated the analytical space, you have a book, the result of an attempt to understand the "Hot Summer" not as a passing crisis, but as a change. This book is built on three theoretical pillars: provide a leader, have saturated the market, the need for a precise theoretical framework is felt more than ever; a framework that can explain the complexity of actor behavior, the persistence of crises, and the architecture of new equilibrium. These three pillars present a picture of Iran that is not on the path to collapse. It is a new one that emerged from the 40-day war, economic shocks, and structural crisis management. Rather, it continues in an inefficient stability—and this stability is not a sign of health, but of architecture. — Fouad Shebani — Rather, it continues in an inefficient stability—and this stability is not a sign of health, but of architecture. Author's Foreword: It is a structural moment in contemporary Iranian history. • Nash equilibrium at the geopolitical level • Cold peace at the security level • Crisis equilibrium at the economic level. It is an equilibrium in which no actor can change the situation to their advantage by unilaterally changing their behavior. Not a collapse; but a new balancing test. This book attempts to show that the "Hot Summer" is not a coup d'état, but not on the path to complete stability.

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is usually presented in the form of two narratives. In Iranian political and economic literature, the analysis of the country's situation conflicting narratives: the first narrative speaks of "imminent collapse" and the second narrative emphasizes "enduring stability." Both narratives, despite their fundamental differences, have one common feature; both try to interpret a complex reality in the form of simple dichotomies. However, the experience of recent years shows that neither of these two and Iran's security environment has the ability to explain the actual behavior of the political system, the economy, and the environment.

It has neither reached a stability that can be considered sustainable and conducive to Iran's development nor has it accelerated towards collapse. What is observed in practice is the continuation of a series of chronic crises that, despite their severity and scope, have not yet led to the collapse of the political or economic structure. At the same time, these same crises have also limited the possibility of deep reforms and sustainable development. This situation requires an analytical framework that goes beyond the common dichotomies.

This book is an attempt to provide such a framework.

The main hypothesis of the book is that Iran has entered a new phase of its strategic life after recent geopolitical developments; a phase in which three concepts operate simultaneously and reinforce each other: the "Nash equilibrium" at the geopolitical level, the "cold peace" at the regional security level, and the "crisis" at the domestic governance level. These three concepts, although originating from different academic fields, together provide a coherent model for understanding the current situation in Iran.

In this framework, Nash equilibrium represents a situation in which none of the main players can achieve a more desirable outcome by unilaterally changing its behavior. As a result, competition continues, but the incentive to engage in all-out war is reduced. The natural consequence of such a situation is the formation of a kind of cold peace; a peace in which hostility does not disappear, but the costs of direct conflict increase to such an extent that players prefer to manage the tension rather than escalate it.

The internal consequence of this situation is the emergence of a phenomenon that this book refers to as the "crisis equilibrium." The structure of governance is not reached at the point of explosion. In this situation, crises do not end, and management, and the economy, instead of solving the root causes of problems, they turn to their continuous moving on the path of development, remains in a state of ineffective stability. The result of this process is a system that has the ability to survive, but its capacity for leaps and transformation is limited.

Chapter One

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The research methodology of this book is a combination of game theory, political economy, geopolitics, and strategic analysis. In addition to utilizing the scientific literature in these fields, economic data, official reports, and security trends are also used to test the theoretical framework. Thus, this book is not a mere collection of routine analyses; rather, it is an attempt to present a conceptual model.

Accordingly, this book departs from common assumptions. Its goal is not to predict the future or defend a particular political viewpoint, but to provide an analytical model to explain observable trends. From this perspective, concepts such as “hot summers,” “energy crises,” “chronic inflation,” “migration,” “stagfaction,” “cold peace,” and “deterrence” are not considered independent phenomena but components of a single architecture that only make sense in conjunction with each other.

It is a news narrative that can explain the current situation in Iran and the future horizon.

The first chapter examines the theoretical foundations of the book and the concept of Nash equilibrium. The second chapter analyzes the security environment and the formation of the Cold Peace. The third chapter explains the relationship between the Cold Peace and the crisis equilibrium. The fourth chapter analyzes the economic consequences of this situation. The fifth chapter criticizes some common narratives about the origins of internal crises. The sixth chapter outlines the architecture of the new equilibrium. The seventh chapter examines the strategic implications of this architecture, and the eighth chapter analyzes possible future trends within the framework of this model.

Important: Iran cannot be explained simply by concepts such as “stability” or, as this book’s simple but central claim is, “crisis.” The reality is that a system in which crisis has become part of the survival mechanism requires moving beyond conventional dichotomies and accepting the fact that survival, in some political systems, comes not from resolving the crisis but from its ongoing management.

Theoretical framework of the book

From Nash Equilibrium to Crisis Equilibrium: Explaining a Strategic Architecture

Income

If this framework can help to more accurately understand the behavior of domestic and foreign actors, analyze economic trends, and explain the logic of decision-making in Iran's security environment, then the main goal of this book will have been achieved.

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Complex political and economic phenomena can rarely be explained by a single variable or a single theory. The experience of recent decades has also shown that chronic crises, geopolitical rivalries, and economic developments are the product of the simultaneous interaction of a set of internal and external factors. Therefore, any analytical framework that seeks to explain the current situation in Iran must be able to link these different levels together in the form of a coherent model.

The theoretical framework of this book is based on three concepts, each of which has independent antecedents in the scientific literature, but which have so far been rarely used in the form of a single model. These three concepts are: Nash equilibrium, cold peace, and crisis equilibrium. The main argument of the book is that only through the combination of these three concepts can the logic of the behavior of the actors, the stability of the political structure, and the continuation of the economic crises in Iran be explained simultaneously.

Nash Equilibrium; The Logic of Strategic Rationality

Game theory is one of the most important achievements of social science in the 20th century. It shows that the decisions of actors are not only a function of their individual preferences, but also depend on the decisions of other actors. In such circumstances, the concept of "Nash equilibrium" takes on a central position.

Nash equilibrium is a situation in which no actor can achieve a better outcome by unilaterally changing his strategy, because other actors have also adjusted their strategies accordingly. As a result, even if the current situation is not desirable for all actors, changing it will have more costs than potential benefits. This feature has made Nash equilibrium one of the most important tools for analyzing the behavior of states in tense environments.

In international relations, this concept is particularly important in situations where the cost of direct war has increased and actors have concluded that maintaining the status quo, although costly, is less costly than engaging in an all-out confrontation. In such an environment, deterrence replaces victory, and competition management takes precedence over eliminating a rival.

Cold Peace; security without reconciliation

If Nash equilibrium explains the logic of actors' decision-making, the "Cold Peace" is the security consequence of this logic.

The Cold Peace does not mean the end of competition or the elimination of hostility. On the contrary, in this situation, political, security, and economic competition continues, but the actors avoid crossing the threshold of all-out war. This avoidance is not due to mutual trust, but to the increasing costs of direct confrontation.

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From this perspective, the Cold Peace should be seen as a kind of "deterrence-based stability"; a stability in which tensions are constantly reproduced, but deterrent mechanisms prevent them from turning into full-scale war. In such conditions, crises are neither eliminated nor ended; they are managed.

This feature distinguishes the Cold Peace from the Classical Peace. In the Classical Peace, the goal is to reduce hostility and build cooperation; whereas in the Cold Peace, the goal is simply to prevent the escalation of the crisis.

Crisis Balance: Economy and Governance in a State of Unsustainable Stability

The third concept, "crisis equilibrium," is the theoretical innovation of this book.

According to this concept, a political or economic system may remain in a state for a long time in which crises persist, but none of them lead to the collapse of the system. In such a case, crisis management replaces crisis resolution, and the governance structure focuses on increasing resilience capacity rather than on fundamental reforms.

Loss of trust In the equilibrium of the crisis, inflation, stagnation, energy imbalances, financial constraints, investment and public deficits become chronic phenomena. These crises generate significant costs, but are prevented from turning into collapse due to the existence of compensatory mechanisms, institutional supports, the informal economy, domestic resources and political capacities.

Not the equivalent of an acute crisis; rather, it is a situation between the two that = Therefore, crisis equilibrium is not equivalent to stability in that system, although it does not have the desired efficiency, it continues to survive.

Linking three concepts

form of a causal chain. Y The importance of these three concepts becomes apparent when they are connected in the

The possibility of all-out war is increased by the reduction of the Nash equilibrium, the cost of unilaterally changing the behavior of actors. The reduction of the possibility of war provides the basis for the formation of a cold peace; a situation in which the external threat is contained, but not eliminated. In turn, this same cold peace causes the political structure to find more opportunities and incentives to manage internal crises, rather than fundamentally resolve them. The result of this process is the formation of a crisis equilibrium.

and Crisis Equilibrium the economic In other words, Nash equilibrium forms the geopolitical foundation; Cold Peace the security framework; and governance outcome of this new architecture.

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The main hypothesis of this research is that the current situation in Iran cannot be explained by conventional concepts of "crisis," "stability," or "transition." Iran has entered a pattern in which external deterrence, internal crisis management, and continued economic inefficiency reinforce each other and create a new kind of equilibrium.

It is not a sign of imminent collapse; rather, it represents a situation in which the = This balance does not mean solving the crisis. political and economic system maintains its ability to survive through continuous crisis management, even though this survival comes with significant economic, social, and institutional costs.

The following chapters of the book each examine one dimension of this architecture and show how the interaction of these three concepts presents a different picture of the current situation and future trends in Iran.

merit and provides a suitable foundation for This version is several levels higher than the original text in terms of scientific and literary references rewriting subsequent chapters. Subsequently, the second chapter will be recreated in the same style, while scientific and footnotes will be added to the final version.

of the New Balance in the Middle East Chapter Two: The 40-Day War; The Architect

Introduction

and are briefly reviewed in the traditional literature of political analysis, wars are often seen as discrete "events" that return to their previous state after the conflict ends. But in strategic science and international relations, some limited conflicts have a function beyond a military battle and act as "architects of new equilibria." The 40-day war between Iran and the United States is a prime example of such an event; not an accidental conflict, but a turning point in the paradigm shift of conflict that was not a temporary tension but a power struggle in the region.

This chapter argues how this war moved the Iran-US relationship from a phase of "costly and unstable competition" to a phase of "cold peace," and how this cold peace provided the necessary basis for the formation of a "Nash equilibrium" and ultimately a "crisis equilibrium" in Iran's internal structure.

The Strategic Nature of the 40-Day War: Tactical Limitations, Unlimited Consequences

The 40-Day War cannot be simply categorized as a "full-scale war" or a "symbolic conflict." It was a prime example of what is known in Western strategic literature as an "Escalation Limited Conflict." Key features of the war include its duration,

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And there were reciprocal responses that were Targeted, short time but very high intensity, precise blows and managed and did not lead to a full-scale war. The intelligence of both sides has broken the cycle of escalation.

The strategic goal in such wars is not to achieve "complete victory" or occupy territory, but to "redefine the rules of the game." Iran demonstrated in this conflict that despite the enemy's technological superiority, and the cost of acting against it, it has the ability to strike asymmetric blows and active deterrence, which would be unbearable for the other side. On the other hand, the United States, by demonstrating its military capabilities, demonstrated its will to deal with threats, but at the same time, by avoiding the spread of war, it showed that it was not inclined to engage in an attritional conflict. This exchange of messages laid the foundations for a new reality: both sides are caught in a trap of mutual costs from which the exit would cost the price of full-scale war.

Changing the power equation: cheap technology versus expensive technology

One of Iran's strategic achievements in the 40-Day War was to change the cost-benefit equation in modern warfare. Iran established its deterrence by adopting a strategy of "Technology Expensive vs. Technology Cheap". In this model, inexpensive suicide drones, precision cruise missiles, and electronic warfare systems were pitted against multibillion-dollar defenses and costly American interception systems.

This cost asymmetry led to what defense economics calls defense economic inefficiency. Every time the United States tried to intercept Iranian threats, its defense costs were many times the cost of an Iranian attack. This cost gap brought the United States to the "strategy imposing cost" point; a point at which continued escalation of the war is economically and strategically untenable for Washington and leads to the erosion of its long-term capabilities. This is precisely the point at which, in game theory, the conditions for the formation of a Nash equilibrium are created.

The Birth of the Cold Peace: From Costly Competition to Enduring Tension

A direct consequence of this war was the formation of a phenomenon called the "Cold Peace." The Cold Peace is fundamentally different from the "liberal peace" or the "postwar era." In the Cold Peace, ideological hostility and conflicting interests still persist, but mechanisms of mutual deterrence have become so established that the cost of physical war is illogical for both sides.

After the 40-day war, both major players reached a common understanding: the United States realized that eliminating Iran from the regional Not in vain; and Iran also realized that Washington was unwilling to = equation was not possible.

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There is no need to engage in a large-scale land or air war that would lead to the collapse of regional structures. This mutual understanding reduced one of "sustainable but manageable tension" and proxy conflicts instead the incentive to escalate the conflict and transformed the situation into of war. In this situation, covert diplomacy became direct targeted sanctions.

Nash Equilibrium: A Point of Stability in Regional Chaos

According to game theory, a Nash equilibrium" is a situation in which no player can improve their position by unilaterally changing their strategy. The 40-Day War and its aftermath provided the necessary conditions for reaching such an equilibrium between Tehran and Washington.

If the United States were to escalate the war, it would face asymmetric Iranian resistance and a regional conflict whose economic and security costs to the domestic US economy would be intolerable. If Iran were to expand the conflict, it would risk direct US military intervention and damage to the country's critical infrastructure. Therefore, the optimal strategy for both sides is to "maintain the status quo" and "manage tension." This strategic stability created the Nash equilibrium that was the main basis for relative stability in the post-war years.

Domestic consequences: psychological, economic and political stabilization

The 40-Day War was not just an external event, but also had profound repercussions on the internal structure of Iran. By creating an external "Nash equilibrium," this conflict led to the stabilization of the psychological, economic, and political triad at home.

In the "psychological" dimension, Iranian society realized that the external threat, although serious, was controlled and manageable. A contributed to "social resilience." sense of security in the face of a full-scale war returned and the risk of psychological collapse decreased. This

In the "economic" dimension, markets received signals that currency shocks resulting from the war would be limited and temporary. With deterrence stabilized and the likelihood of a large-scale war reduced, security costs and investment risk decreased, and markets achieved relative stability. Central Bank reports show that after the security situation stabilized, currency fluctuations returned to more realistic channels and exited the emotional phase.

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Chapter Three: Cold Peace and Nash Equilibrium; Stable Pillars of the Unstable

Introduction

If the second chapter showed how the 40-day war established a new equilibrium in Iranian-American relations, this chapter addresses a more important question: how was this equilibrium established? In strategic science, establishing an equilibrium is merely a starting point; what gives an equilibrium its identity is its stability, predictability, and deterrence function.

The Cold Peace and the Nash Equilibrium are the two main pillars of this Iran and the United States in a situation in which neither actor could improve its position by stability. This chapter argues that these two concepts placed unilaterally changing its behavior; a situation that is neither peace nor war, but rather a permanent architect of tension.

Part One: Cold Peace; Stable but Controlled Tension

Cold Peace is a situation distinct from liberal peace or a temporary ceasefire. In this situation, hostility between two actors remains, but mutual deterrence mechanisms have become so well established that a full-scale war becomes irrational and costly. In a cold peace, actors prefer to manage tension rather than resolve it, because the ultimate resolution of the tension requires a fundamental shift in the power structure, which in turn can lead to a larger crisis.

The consolidation of the Cold Peace after the 40-day war was the result of three factors: First, Iran proved that it was not "eliminable" and had the capability of asymmetric strikes and active deterrence. Second, the United States demonstrated that it still retained the ability to strike accurately and effectively. Third, both sides came to a common understanding that escalating the war would not only be unprofitable, but would also cost both sides more than they could afford.

This shared understanding transformed the Cold Peace from a temporary "state" into a lasting "structure."

Purposeful rather than war The characteristics of the Cold Peace in US-Iran relations include: limited and full-scale attacks, precise and controlled responses rather than escalating reactions, managing tension rather than trying to end it, and establishing mutual deterrence. These characteristics make the Cold Peace a sustainable architecture in which the cost of changing the rules of the game is very high for both sides.

Part Two: Nash Equilibrium; The Logic of Two Actors' Behavior

The Nash equilibrium, which forms the heart of game theory, is a situation in which no player can improve his position by unilaterally changing his strategy. This concept provides an analytical framework for understanding the rational behavior of players in conflict situations.

After the 40-day war, Iran-US relations entered such an equilibrium. If the United States escalates the war, it will face heavy military costs and widespread regional risk. If Iran expands the conflict, there is the possibility of more widespread US attacks and increasing economic pressure. But if neither side changes its strategy, the situation will be more stable and less costly. This logic formed the Nash equilibrium.

The stability of this equilibrium is due to three factors: the very high cost of unilateral action, the predictability of the other side's reaction, and the fact that the outcome of changing strategy is worse than maintaining the status quo. In other words, the Cold Peace is the geopolitical manifestation of the Nash equilibrium; where the mathematical logic of game theory is embodied in the field of political reality.

Part Three: The Link Between Cold Peace and Crisis Balance

The Cold Peace at the geopolitical level provides the necessary context for the formation of an "Equilibrium Crisis" at the domestic level. This link operates through the following mechanisms: controlling external threats, reducing the risk of widespread war, relatively stabilizing markets, and creating a sense of relative security in the political structure. In this situation, crises are managed rather than resolved, and the economy enters a phase of "unsustainable stability."

The conceptual triad of this book can be outlined as follows:

The balance of crisis is not possible without a cold peace. If the external threat remains at a high level, the crisis The internal conflict will escalate exponentially. If the external threat reaches zero, the space needed for Internal reforms are provided. But in a cold peace situation, internal crisis remains at a stable level. This is the "crisis equilibrium trap".

Part Four: Strategic Consequences of the Cold Peace

The Cold Peace had threefold consequences at the geopolitical, economic, and political levels:

At the geopolitical level, the possibility of a large-scale war has decreased, and the role of deterrence in relations between the two countries has been consolidated. And the regional rules of the game became stable and predictable. Institute reports

The International Institute for Strategic Studies (IISS) shows that after this period, the pattern of conflicts in the Middle East Cyberwarfare changed course. From direct wars to proxy conflicts and

markets stabilized. At the economic level currency shocks were reduced, the energy crisis was managed, and "stagflation trap." However, this stability did not lead to real development, leaving the economy in a The Central Bank of Iran's reports show that exchange rate fluctuations during this phase The excitement subsided, but the inflation rate remained at high levels.

At the political level the status quo continued, the risk of collapse decreased, but at the same time the possibility of And this Structural reforms also declined. The political system focused on crisis management rather than reform, and the pattern became a strategic habit.

Part Five: Why did the Cold Peace make the "Hot Summer" possible?

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Chapter Four: Iran's Economy in the Crisis Balance Trap

In recent years, the Iranian economy has entered a situation that cannot be explained by the classical concepts of crisis (i.e., by the concepts of "stability"). This situation is a middle range that is called "Equilibrium Crisis" in the literature of temporary collapse and political economy. This chapter argues that the Iranian economy is stuck in a stable but inefficient state; a state that neither provides a basis for development, but rather "perpetuates the crisis" as a "normal state" and leads to collapse and stabilizes the system. This phenomenon is a direct result of the

link between the "cold peace" in the normal state and the stable "Nash equilibrium" in the behavior of domestic actors. The geopolitical arena and

Part One: Defining Crisis Equilibrium in the Economy

Crisis equilibrium is a situation in which crises transform from an "event" to a "structure." In this case, the economic system turns to "crisis management" instead of radical reforms.

Structural inefficiencies become systemic habits, and economic actors learn how to survive in conditions of instability without making serious efforts to change the rules of the game.

The Iranian economy is in a crisis equilibrium because: 1. The external threat at the level of the established "Cold Peace" has prevented full normalization, but not to the extent that it would lead to immediate collapse. 2. The "Nash equilibrium" at the domestic level the cost of changing the current prevents actors from taking risks and making structural reforms, because situation (which is profitable for some groups) is much higher than the cost of continuing the crisis. 3. Economic structures are trapped in an "inefficient sustainability" trap, where no actor has the incentive to unilaterally change.

Part Two: Liquidity; the Engine of Crisis Stability

Liquidity is a key indicator for measuring the depth of the crisis equilibrium in the Iranian economy. Official data shows that liquidity is not a temporary shock, but a structural and upward trend that provides the driving force for inflation and economic inefficiency.

According to reports from the Central Bank of the Islamic Republic of Iran, the volume of liquidity reached a figure equivalent to 13,500 trillion Tomans at the end of autumn 1404. This figure has led the Iranian economy into the fifth wave of structural inflation. The growth of liquidity points has accelerated in recent months: Azar: 1404 50 percent growth Esfan: 1404 53 percent growth Ardibehesht: 1405 reaching 77 percent (in some inflation indicators)

This acceleration in growth indicates a loss of monetary control over the economy. Why is liquidity not being reformed? The answer lies in the logic of "crisis equilibrium": 1. Political cost of banking reforms: Closing illegal institutions and reforming interest rates face strong resistance from stakeholders. 2. Need for structural changes in the budget: The government's structural budget deficit requires reform of the tax and subsidy system, which is politically sensitive. 3. Fear of shock: In the "cold peace" environment, governments are afraid of sudden shocks (such as eliminating subsidies or liberalizing the exchange rate) because they know that they will destroy the fragile stability that

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4. Stabilization of the crisis by cold peace: When the external threat is controlled, the policymaker's priority shifts from survival of the system to management of internal tensions and monetary instruments are directed towards financing the budget deficit to prevent social explosion, rather than controlling inflation'.

Part Three: Chronic Inflation; The Natural Consequence of Crisis Equilibrium

Inflation in the Iranian economy is not a cyclical phenomenon, but a structural feature. This inflation is not caused by shortterm shocks (such as changes in oil prices or temporary sanctions), but is rooted in fundamental factors: excessive growth of liquidity * Structural government budget deficit * Banking system imbalances * Unstable and dual exchange rate policies * Energy and infrastructure crisis

It does not lead to collapse; rather, it becomes a "crisis equilibrium" framework, where inflation neither decreases nor becomes "unstable stability." Economists call this situation Stable Disequilibrium. In this situation, prices rise continuously, but the rate of increase is managed in a way that prevents widespread social protests. This inflation management increases the cost of development and makes long-term investment impossible.

Part Four: Energy Crisis; Sustainable Shock and Consumption Management

The energy crisis in Iran is a clear example of "crisis management rather than crisis resolution." Reports from members of parliament and energy experts show that gasoline production has decreased by 10 to 15 percent in recent years. The main reasons for this decrease are the wear and tear of refining facilities, damage caused by sanctions, and lack of investment in infrastructure.

The government and policymakers' response to this crisis can be understood within the framework of the logic of crisis equilibrium: Managing consumption instead of increasing supply: Instead of making large investments to increase production (which requires time and foreign exchange resources), the government has turned to reducing rationing and managing demand. Preventing price shocks: Increasing fuel prices, although economically logical, is politically risky. Therefore, the system manages the crisis through shortages and long lines instead of correcting prices.

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Summary of the fourth chapter

The Iranian economy is caught in a crisis equilibrium trap. This trap is the product of the interaction between the cold peace in the Nash persistent crises are the equilibrium in the domestic arena. Increasing liquidity, the international arena and chronic inflation and inefficiencies of the system. In this situation, energy, not the signs of temporary weakness, but the signs of crises, are not resolved, but are managed to prevent collapse, but at the cost of losing development and sustainable growth. This chapter is an analytical basis Inability to \gamma_{d} for understanding why the hot summer" occurred and why it is necessary to get out of this situation.

Footnotes and References

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Chapter Five: Rejecting the Soft Coup Scenario

In the past four chapters, we have examined the structure of Iran's new equilibrium from three interconnected angles: first, the 40-day war and the emergence of a cold peace in Iran-US relations; second, the consolidation of the Nash equilibrium between the two countries; and third, the Iranian economy's entrapment in the crisis equilibrium trap. Now, before entering Chapter 6 and the final analysis of "Hot Summer," it is necessary to criticize one of the most common competing narratives: the "soft liberal coup scenario." This chapter argues that this scenario, despite its appeal to political economy media, is incompatible with Iran's structural and psychological realities, and that from a strategic science perspective, "Hot Summer" should be understood within the framework of crisis equilibrium, not as a premeditated conspiracy.

Part One: Soft Coup; Definition and Prerequisites

In political science literature, a "soft coup" refers to a set of mostly nonviolent actions aimed at gradually weakening the political structure, creating psychological instability in society,

provoking public discontent, and ultimately, changing power without armed conflict. Common tools for this scenario include: media crisis-mongering, targeted economic pressure, inciting street protests, creating divisions among the ruling elite, and using price shocks as a catalyst for discontent.

However, a soft coup, regardless of its means, requires specific structural conditions. Historical experience shows that this scenario usually simultaneously: 1. "Fragility of the political structure." The existence succeeds in countries where the following four conditions are met of deep divisions within the ruling elite and the system's inability to manage internal conflicts. 2. "Economy on the verge of collapse." Unbridled inflation, widespread unemployment, and the government's inability to provide basic needs. 3. "Active external threat." Coordinated international pressure and external support for domestic opponents. 4. "Diversity among the elite." The existence of sections of power that are inclined towards regime change.

The central question of this chapter is whether Iran has experienced these four conditions simultaneously in recent years.

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1 External Detrrence and Cold Peace** After the 40-Day War, Iran and the United States entered a Nash equilibrium. In this equilibrium, the cost of unilateral action is very high for both sides, and the Cold Peace has become established. A soft coup, contrary to popular belief, requires external instability and coordinated international pressure, not a Cold Peace in which the external threat is at a manageable level. In other words, external deterrence has limited the room for maneuver for domestic actors.

2 Structural resilience of the economy: Despite deep problems (high liquidity, chronic inflation, and an energy crisis), the Iranian economy enjoys a kind of "structural resilience." An extensive network of subsidies, active informal markets, a multilayered distribution system, and access to domestic energy sources have kept the economy from complete collapse. A soft coup requires economic collapse, not "inefficient sustainability."

3 Crisis management instead of reform: In crisis equilibrium, crises are managed but not resolved. The system continues in inefficient stability. This situation is not suitable for a soft coup, because a coup requires an escalating (not sustained) crisis. Escalating crisis means a rapid and uncontrollable increase in crisis indicators, while in Iran, crises remain at a stable and manageable level.

4 Absence of elite cleavages: A soft coup succeeds when the ruling elite is deeply divided and parts of the power shift towards change. But in the crisis equilibrium, the political structure is in a state of "continuity." The controlled external threat has greatly increased the cost of change and strengthened the incentive for intra-elite cooperation. The existing cleavages remain at the level of "political competition" and have not reached the "coup threshold."

Part Three: The Ten Crises; Structural or Designed?

One of the arguments of proponents of the soft coup scenario is the "simultaneity of ten crises" (liquidity, inflation, energy, raw materials, bounced checks, recession, power outages, psychological crises of managers, etc.). However, structural analysis shows that these crises are rooted in internal imbalances, sanctions, regional war, and unstable currency policies, not in a coordinated design.

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1. Simplification of reality The coup narrative reduces the multi-layered complexity of structural crises to a simple dichotomy (designed/accidental). This simplification satisfies the psychological need for a "single cause" in crisis situations.

and conspiracy-based analyses. 2. Media appeal The media naturally prefers simple, structured and complex narratives, because the former have the ability to attract a larger audience.

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3. Psychological Need of Society: In conditions of chronic crisis, society looks for enemies or hidden roles to explain its suffering. But the balance of crisis does not have a single cause; it is the product of the interaction of thousands of structural, institutional, and behavioral factors.

Conclusion

The soft coup scenario, despite its media and psychological appeal, is strategically incompatible with Iran's structural realities. The Nash equilibrium between Iran and the US, the cold peace in the foreign arena, ineffective stability, and crisis management rather than reform have all created conditions that not only do not provide the basis for a coup in the economy, No but also act as counter-coup mechanisms. The hot summer is neither a coup nor a collapse; it is rather the point of emergence of a new equilibrium in which the crisis has become a stable structure.

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Chapter Six: The Architecture of the New Balance; Sustainable Inefficient as Order

Introduction

strategic science and political In the past five chapters, we have outlined the three main pillars of the Iranian situation from the perspective of economy: the Nash equilibrium at the geopolitical level, the Cold Peace at the security level, and governance. This chapter is the point of connection between these three pillars. Here, we construct the complete architecture of Iran's "new equilibrium"; an architecture that explains why Iran neither collapses nor stabilizes, but continues on its path in an "inefficient stability." This chapter is the theoretical heart of the book and an analytical framework for understanding the "hot summer" as a test of this new equilibrium.

Part One: The Three Pillars of the New Balance

Iran's new equilibrium architecture is based on three interconnected pillars, each of which plays a specific function in the stability of the system:

1 Geopolitical Pillar: Nash Equilibrium The Nash equilibrium between Iran and the United States, established after the 40-day war, means that neither side will improve its situation by unilaterally changing its behavior. The costs of war for both sides have exceeded its potential benefits, and the regional rules of the game have become stable. This pillar creates the "security ceiling" of the new equilibrium; a ceiling that prevents the system from collapsing due to external pressure.

2 Security Pillar: Cold Peace Cold peace is a stable but manageable tension. In this situation, ideological hostility and conflicting interests remain, but mutual deterrence mechanisms have become so well established that full-scale war is irrational. The external threat is contained to a manageable level. This pillar builds the "protective walls" of the new equilibrium; walls that insulate the system from sudden security shocks.

The Iranian economy is caught in a trap of crisis equilibrium: unbridled liquidity, chronic inflation, energy crisis, consumption management instead of structural reform, and ineffective sustainability. This pillar forms the "ground beneath" the new equilibrium; a ground that, although uneven and unstable, has not yet collapsed.

Part Two: The Linkage of the Three Pillars; The Architecture of a Closed System

The New Balance Architecture makes sense when we see these three pillars not in isolation, but in conjunction with each other. The following table shows the function of each pillar and their relationship:

These three levels create a closed system in which each component reinforces the other: - Nash equilibrium makes cold peace possible. - Cold peace controls external threats and provides the basis for crisis equilibrium. - Crisis equilibrium eliminates the incentive for level. unilateral change and stabilizes Nash equilibrium at the domestic

This closed system is the "new equilibrium"; a situation in which there is a controlled external threat, a stable internal crisis, and no incentive for unilateral change for any actor.

Part Three: New Balance Features

Iran's new equilibrium has four fundamental characteristics that distinguish it from other forms of equilibrium:

1 Equilibrium without Stability: The system is stable, but inefficiently stable. Crises continue, but collapse does not occur. Structural reforms are not carried out, and crisis management has replaced crisis resolution*

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2 Deterrence without Victory: *In this equilibrium, Iran has effective deterrence, but has not achieved a decisive victory. The external threat is controlled, but the regional structure has not changed in Iran's favor.

3 Resilience without Development: Iran's economy is resilient, but it is not developing. Crises are tolerated, but they are not reformed. This is what it is "Resilience Poor" (translated as "Resilience Poor").

4 Transformation without Continuity: The political structure continues, but does not transform. It is resistant to collapse, but it is also resistant to reform. This situation creates a "stagnation dynamic."

Part Four: Why is the new equilibrium stable?

The stability of the new equilibrium results from four synergistic mechanisms:

1. High cost of change: In Nash equilibrium, unilateral change of behavior has a high cost. Therefore, actors prefer to maintain the status quo, even if this is inefficient.
2. Control of external threats: The Cold Peace reduces the risk of war and places the internal structure in a state of continuity." The absence of an existential threat removes the incentive for urgent reforms.
3. Crisis management capability: Crisis balance stabilizes crises, but does not allow them to collapse. And manages them. The system has learned to live with crises.

Not salvation, but the status quo. 4. Crisis equilibrium trap: This trap causes neither collapse to occur nor to persist. The system is caught in a trap from which the exit requires a cost that no actor is willing to pay.

Part Five: Consequences of the New Equilibrium

The new balance has brought about threefold consequences at the geopolitical, economic, and political levels:

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1. At the geopolitical level: The likelihood of a large-scale war has decreased, the regional rules of the game have been established, and the role of deterrence in Iran-US relations has increased.

At the economic level: Chronic inflation has persisted, the energy crisis has been managed (but not resolved), markets have achieved relative (but unstable) stability, and real development has not occurred.

At the political level: The power structure has been maintained, the likelihood of collapse has decreased, but at the same time the likelihood of structural reforms has also decreased, and crisis management has replaced crisis resolution.

Part Six: Hot Summer as a New Balance Test

Not collapse; but *a test of the new equilibrium**. In this test, crises are activated, not hot summers or coups, but collapse does not occur. Pressures increase, but the political structure remains stable. The economy stagnates, but resilience is maintained.

The hot summer is a manifestation of the new equilibrium, not a destruction of it. It shows how much pressure the system can withstand without collapsing or being forced to adjust. In other words, the hot summer demonstrates the *Frontier Resilience" of the system.

Conclusion

The equilibrium of crisis is based on these three architectures of Iran's new equilibrium, which are based on the three pillars of Nash equilibrium, Cold Peace, and the Pillar, a closed and self-reinforcing system in which each component reproduces the other. It is not stability, but "inefficient stability"; a situation in which - The result is a situation that is neither collapse nor a system trapped in a trap from which it will be costly to escape. The crisis has become a structure. The "hot summer" is the product of this architecture; neither a coup nor a collapse, but the continuation of the crisis at a new level.

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Chapter 7: Strategic Implications of the New Equilibrium; Inevitably Sustainable

Introduction

In previous chapters, we outlined the architecture of Iran's new equilibrium on the three pillars of Nash equilibrium (geopolitics), Cold Peace, and Crisis equilibrium (economics). Now it is time to examine the implications of this architecture in terms of (security) and not foresight, but rather an analysis of sustainable trends. This chapter is not about predicting the future and the different levels within the framework of crisis equilibrium. The central question of this chapter is: if the new equilibrium is established, what consequences will it have for politics, the economy, security, society, and the behavior of foreign actors?

Part One: Geopolitical Implications

And the world is shaping in a special way. The first and most important consequence of the new equilibrium, Iran's position in the geopolitical region, is a reduction in the likelihood of a full-scale war. In the Nash equilibrium, the costs of war for both sides exceed its potential benefits. This means that future conflicts will be limited and controlled, and tensions will remain at a "manageable" level. This situation creates "security stability," not complete stability.

The second consequence is the *stabilization of Iran's deterrence role**. In this balance, Iran has an effective deterrent, maintains its asymmetric strike capability, and has significantly increased the cost of action against it. This deterrence is the main pillar of the Cold Peace and guarantees the continuation of the new balance.

The third consequence is the stabilization of the regional rules of the game. The new balance causes the rules of tension to become stable, regional actors to adapt their behavior to these rules, and Iran's role in regional equations to be stabilized. This consequence brings Iran into a "new balance" of regional interactions in which competition has given way to tension management!

Part Two: Economic Consequences

The crisis equilibrium has certain and predictable economic consequences. The first consequence is persistence of chronic inflation. Inflation in the crisis equilibrium does not decrease, but it does not collapse either; it remains at a stable level that keeps the economy in an inefficient state. This chronic inflation has become a "structural variable" that affects all economic calculations.

The second consequence is energy crisis management. The energy crisis is not solved, but it is managed. Rationing and consumption reduction have replaced investment and structural reform. This policy is part of and shows how the system has learned to live with crises without the architecture of a new equilibrium to solve them.

The third consequence is a persistent but non-exponential recession. The recession continues, but does not become exponential. Small industries suffer, but the resilience of the macrostructure is preserved. This situation keeps the economy in a crisis equilibrium trap; a trap in which neither collapse nor growth occurs.

Part Three: Political Consequences

The new equilibrium also shapes the behavior of the political structure. The first political consequence is the continuity of the controlled, and the power structure. In the crisis

equilibrium, the political structure remains stable, the external threat is cost of change is very high. This means "continuity", not "transformation".

The second consequence is reduced probability of collapse. Political collapse requires an escalating crisis, a split among the economic collapse. But in the new equilibrium, crises are persistent (not escalating), elites, an active external threat, and Economy in = the elites are in a state of continuity, the external threat remains inefficiently sustained in a controlled cold peace. Therefore, collapse is not likely.

The third consequence is reduced likelihood of structural reforms. Major reforms require external stability, and low costs of change. But in the new equilibrium, the costs of change are very high, the Nash elite consensus, equilibrium does not allow for risk-taking, and the political structure is stuck in a state of "crisis management." Therefore, structural reforms are also unlikely.

Part Four: Social Consequences

The new equilibrium also affects society. The first social consequence is psychological burnout. In ineffective sustainability, crises continue but are not resolved, and society finds itself in a state of "endurance without hope." This burnout is one of the main consequences of the crisis equilibrium, which destroys social capital.

The second consequence is sustainable migration. Migration continues, but does not become exponential, and becomes a process and shows how the system becomes sustainable. This process is part of the architecture of the new equilibrium, accepting the outflow of human capital as a bearable cost.

The third consequence is decreased public trust. In the equilibrium of the crisis, public trust declines, but does not reach the point of explosion. Society is placed in a state of "sustainable distrust" that shapes social and economic behavior.

Part Five: Strategic Implications for Foreign Actors

The new balance also changes the behavior of external actors. The United States in the Nash equilibrium avoids a full-scale war, but maintains tension and manages the Cold Peace. Europe in the crisis equilibrium has a limited mediating role, but does not have the power to change the rules of the game. Regional countries in the Cold Peace adapt their behavior to the new rules, and Iran's role in regional equations is consolidated.

Part Six: Strategic Implications for Iran's Future

stabilizes, but continues in inefficient stability. The Nash In the near future, Iran neither collapses nor equilibrium is maintained. In the medium-term future, the crisis equilibrium continues, the cold peace remains stable, and in the long-term future, major changes will occur only when one of the three pillars of the new equilibrium (Nash equilibrium, cold peace, or crisis equilibrium) collapses. But in the current situation, none of these pillars is on the verge of collapse.

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Chapter Eight: The Future of Balance

Iran's future cannot be explained by linear predictions, collapse scenarios, or narratives of the decisive victory of equilibrium. In the architecture of the new equilibrium outlined in previous chapters—Nash Equilibrium, Cold Peace, and Crisis—The Future Is Not Fall Not salvation, but "the continuation of the status quo at a new level." This examines Iran's future not by predicting but by analyzing enduring trends; trends that emerge from the new equilibrium and shape the course of the coming years.

Part One: The Future of Geopolitics

At the geopolitical level, three stable trends can be identified:

"First, the continuation of the Cold Peace." In the Nash equilibrium, the cost of war is very high for both sides. This means that the Cold Peace will continue, tensions will be persistent but

manageable, and conflicts will remain limited and controlled. The Cold Peace keeps Iran's geopolitical future in a state of "sustainable tension."

"Second, consolidate the role of deterrence." Iran's deterrence — based on "Technology Expensive vs. Technology Cheap — will be strengthened in the future, keeping the cost of action against Iran high and consolidating Iran's role in regional equations. Deterrence is the pillar of Iran's future security.

"Third, limited changes in the regional order." The new balance does not allow for major changes, but small and gradual changes are increased role for non-Western actors, a reduced role for direct American intervention, and an increased weight for the actors. These changes place the future of the region on the path of "limited multipolarity".

Part Two: The Economic Future

At the economic level, three sustainable trends can be predicted:

exponentially in the near "First, the continuation of ineffective sustainability." Iran's economy will neither collapse nor develop future, but will continue in ineffective sustainability. This situation is the trap of crisis equilibrium.

Second, chronic inflation as a stable state. Inflation does not decrease, but it does not become exponential either; it remains at a stable level that keeps the economy in a state of "inflationary equilibrium."

Third, energy crisis management. The energy crisis is not solved, but it is managed. Rationing continues and structural reform is postponed. This trend keeps Iran's energy future in a state of "crisis management".

Part Three: The Political Future

At the political level, three stable trends can be identified:

First, the continuity of the power structure. In the equilibrium of the crisis, the political structure remains stable, the external threat and the cost of change are very high. This means that Iran's political future is on the path of continuity without controlled change.

Second, reducing the likelihood of structural reforms. Major reforms require external stability, elite consensus, and low cost of change. But in the new equilibrium, the cost of change is high, the Nash equilibrium does not allow for risk-taking, and the political structure is stuck in a state of crisis management. Therefore, structural reforms are unlikely in the near future.

Third, reducing the likelihood of collapse. Political collapse requires an escalating crisis, a split among the elites, and economic collapse. But in the new equilibrium, crises are stable (not escalating), the active external threat of the elites is in a state of continuity, the external threat remains Economics in sustainability ineffective in the controlled cold peace. Therefore, collapse is not likely.

Part Four: The Social Future

At the societal level, three sustainable trends can be anticipated:

First, persistent psychological exhaustion. Society endures future crises, but hopes for reform diminish and it remains in a state of endurance without hope. This exhaustion is the natural consequence of the crisis equilibrium.

Second, sustainable but non-progressive migration. Migration continues, but does not become progressive and follows a trend. This trend will shape Iran's demographic future.

Third, persistent distrust. Public trust declines, but does not reach an explosive point and remains at a level It remains stable. This situation shapes future social behavior.

Part Five: The Future of Balance

In the near future, Iran will be in a state of security stability, economic stability, and political stability — but Ineffective — continues. In the medium term, the balance of crisis will continue, the cold peace will remain, and Nash equilibrium is maintained. In the long run, major changes only occur when one of the three The new equilibrium column (Nash equilibrium, Cold Peace or Crisis equilibrium) will collapse. But in the current situation, none of the These pillars are not on the verge of collapse.

Conclusion

Not salvation, but continuation of the status quo on the balance sheet — Iran's future is in the architecture of a new equilibrium, not a collapse. This future is based on three pillars: Nash equilibrium (preventing widespread war), Cold Peace Not the beginning — The crisis equilibrium (unstable stability). The "hot summer" is not the end of this equilibrium (stabilization of the rules of tension) and that, but rather a test of this equilibrium; a test whose outcome is in the favor of none of the actors in the form of It will not end unilaterally, but will rather ensure the continuation of the status quo in the new architecture.

Conclusion: Hot Summer; The Architecture of Crisis Balance in Iran

Iranian economy in the crisis equilibrium trap, now

After examining the 40-Day War, the Cold Peace, Nash Equilibrium, and the

The final picture can be drawn: Iran has entered a new equilibrium — one that does not involve collapse.

Not with complete stability, but with "inefficient stability." It is explained and

This new balance is based on three pillars: Nash Equilibrium \gamma Preventing widespread war Cold Peace \gamma Stabilization of the rules of tension Crisis balance \gamma Economic stability without development

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